



DATE: APRIL 15, 2019

AGENDA ITEM # 2

TO: Financial Commission
FROM: Sharif Etman, Staff Liaison
SUBJECT: City Investment Policy

BACKGROUND

The City's Investment Policy (Policy) is a key policy document that sets forth guidelines that ensure the City's funds are invested in a prudent manner and in compliance with California Government code. The Financial Commission (Commission) reviews the City Investment Policy on an annual basis and forwards recommended changes to the City Council for approval.

The Policy was reviewed by the Commission at the March 18, 2109 meeting. At that meeting, the City's investment advisor, PFM Asset Management (PFM), presented recommended changes to the Policy. PFM's recommendation was to authorize some changes to the investments in order to have more diversified portfolio permitted by California Government Code Section 53601. The Commission's recommendation was to allow some but not all of PFM's proposed changes.

DISCUSSION

The City's investment advisor's updated recommendation (Attachment 1). The City's current Investment Policy is presented in redline format (Attachment 2) and reflects the changes.

QUESTION FOR COMMISSION CONSIDERATION:

Does the Commission wish to approve the updated Investment Policy recommendations as presented or should the discussion on policy options continue?

OPTIONS:

- 1) Approve the updated City of Los Altos Investment Policy and advise staff to submit the updated Policy to City Council for approval.
- 2) Do not approve the updated City of Los Altos Investment Policy and continue the discussion regarding policy options.

Attachments:

- A. City's investment advisor (PFM) updated recommendations
- B. City of Los Altos Investment Policy (redline version)